

A study on challenges faced by pharmaceutical companies for New Product launches

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Introduction

Darwin claims that 'There is a continuous struggle for existence in nature and only fittest can survive in world' the theory of Darwin till today very true and acceptable for living organisms. Particularly for industries it is also applied very well for a company or a industry.

Existence of industries or survival of business depends on

Co-operative mutualization.

Competition between individuals.

Strategies to enhance fitness.

The Global Trade System can be viewed as a dynamic ecosystem in which industry struggle for resources and existence. Global trend is complex system market are highly dynamic and customers have proven resource of new solutions in various product as directly involved in process. Evolution of market shifts in social, economic and technological knowledge society. Market evolution is a long process but factors that changes market are under growing. In market competition small firms always face major threats from large companies. It has become challenging for most business to keep their financial wheels turning during the lock down period due to less revenue and general uncertainty in the global financial environment.

As globalization of market, highly competitive business environment, rapid technological changes in medical field and short product life-cycles have made pharmaceutical companies to think about new product development and sustainability in market. Low R&D productivity, high R&D costs, tight regulation, low probabilities of technical success, unsure market, and limited qualified human resources are major factors that pharmaceutical industry have to face in new product development. New product development is a high-risk and costly process with significant failure rate. Generic and Non-generic pharmaceutical companies have some key differences as times and costs allocated to develop new products. Longer clinical phases and longer regulatory approval periods in non-generic companies, takes a lot of time as product could fulfil needed requirements to be launched to the market, while such requirements are not mandatory within generic companies.

Introducing successful new products, which the growth and development of a firm depend on, technological knowledge and ability to transform it into new products. Assets to facilitate the manufacturing, marketing, sales, and distribution of those products are required. This study aims to identify the factors effecting in pharmaceutical industry while launching new product in market.

Rational of Study In industry Success factors of new product development includes

Organizational factors

Human capital

Intellectual capital

Relational capital

Organizational capital

Finance related factors

Investment capital

Advertise and marketing

Forecasting investment

Collection of payments

Company-related factors like

managerial capabilities

management commitment
Tangible assets in companies
Intangible assets in companies

Product-related factors

Products are mostly developed to satisfy customer’s needs however, in the case of pharmaceuticals, not customer’s needs but health system’s interests should be considered. Therefore, the factor impact of product on health is taken in to account as a product-related factors in pharmaceuticals.

Quality
Development speed
Marketing efficiency
Price
Patients and health system.

Finally, the new product compatibility with knowledge and expertise of company can increase the chance of success for new product.

In addition to effect of abovementioned factors, success of new pharmaceutical products is highly affected by current competitors, customer’s need, supplier’s competition, substitute or alternative products and government regulations. Regulations can affect the new product success through price setting, reimbursement or subsidizing policies, and licensing procedures, patent right and market plays significant role in new product success.

However, with changing market dynamics, new trends, and highly impactful market growth, the industry is on the path to recovery. Factors such as high life expectancy, increased awareness about health and wellness awareness about chronic diseases are hurdles for growth in the industry. Looking to this present study highlights factor which are having significant impact on launching new product in market.

Objective of study

Objectives of study were stated as under

- 1. To prepare questionnaire for knowing factors effecting to launching new pharmaceutical product in market.
- 2. To know factors effecting to launching new pharmaceutical product in market.
- 3. To study impact of factors on allopathic and ayurvedic medicine producing industries.

Hypothesis

H1 There will be no any significant effect of various factor on launching new product in market for allopathic and ayurvedic medicine producing industries.

Preparation of tool

Looking to above discussion regarding areas and factor effecting to industries in marketing product questionnaire was developed which covers following areas.

- 1. Company size and turnover
- 2. Organization setup
- 3. Financial condition of industries
- 4. Customers and Quality of product
- 5. Market Competition
- 6. Regulations of government

Initially 50 questions were constructed for questionnaire but after expert opinion 30 questions were included in final questionnaire. Each question having four option of percentage. So impact of particular factor on launching new product in market was in percentage.

Variables of study

Independent Factor effecting to launch new product

- 1. Company size and turnover
- 2. Organization setup
- 3. Financial condition of industries
- 4. Customers and Quality of product
- 5. Market Competition
- 6. Regulations of government

Type of Product Ayurvedic

Research Paper

Abstract

Present study was aimed to study Problem faced by pharmaceutical company while launching new product in market. Study was carried out for middle scale pharmaceutical industries. Sample of 30 industries was taken in account for study among which 15 industries manufacturing allopathic and 15 industries manufacturing ayurvedic medicine were selected. For statistical analysis kai-square equal probability test was applied. Results indicates that Financial condition of industries, Customers and Quality of product and Regulations of government have significant impact on launching new product for pharmaceutical industries. Company size and turn over shows impact in allopathic medicine industries while market competition shows impact in ayurvedic medicine industries.

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